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June 25, 2008

TO: Supervisor Yvonne B. Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe *Wendy Watanabe*  
Acting Auditor-Controller

SUBJECT: **HIV/AIDS LEGAL SERVICES ALLIANCE, INC. – A DEPARTMENT OF  
PUBLIC HEALTH HIV/AIDS LEGAL AND PERMANENCY PLANNING  
SERVICE PROVIDER**

We completed a fiscal review of HIV/AIDS Legal Services Alliance, Inc. (HALSA or Agency), a Department of Public Health (DPH) HIV/AIDS legal and permanency service provider.

**Background**

The DPH's Office of AIDS Programs and Policy (OAPP) contracts with HALSA to provide HIV/AIDS related legal services. HALSA office is located in the Second District.

At the time of our review, HALSA had two cost reimbursement contracts with OAPP. The Agency received approximately \$460,000 in OAPP funds from March 2006 to June 2007.

**Purpose/Methodology**

The purpose of our review was to ensure that HALSA appropriately spent funds in accordance with the County contract. We also evaluated the adequacy of HALSA's accounting records, internal controls and compliance with the contract and applicable

federal and State fiscal guidelines governing the Ryan White, Comprehensive AIDS Resource Emergency Act. In addition, we determined whether the Agency provided services to eligible participants.

### **Results of Review**

HALSA maintained documentation to support the eligibility of the individuals that received program services, appropriately recorded and deposited cash receipts timely in the Agency's bank account and correctly allocated shared costs.

The details of our review are attached.

### **Review of Report**

On May 15, 2008, we discussed our report with HALSA management. We also notified DPH of the results of our review. The attached report does not contain any findings or recommendations. Therefore, a response from HALSA is not necessary.

We thank HALSA for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

WLW:MMO:DC

Attachment

- c: William T Fujioka, Chief Executive Officer  
Jonathan E. Fielding, Director, Public Health Department  
William Oldfield III, Executive Director, HIV/AIDS Legal Services Alliance, Inc.  
Public Information Office  
Audit Committee

**HIV/AIDS LEGAL AND PERMANENCY PLANNING SERVICES  
HIV/AIDS LEGAL SERVICES ALLIANCE, INC.  
FISCAL YEAR 2007-2008**

**ELIGIBILITY**

**Objective**

Determine whether HIV/AIDS Legal Services Alliance, Inc. (HALSA or Agency) provided services to individuals that meet the eligibility requirements of the Office of AIDS Programs and Policy (OAPP).

**Verification**

We reviewed the case files for 15 program participants that received services during March 2006 to June 2007 for documentation to confirm their eligibility for OAPP services.

**Results**

All program participants' case files contained documentation to support the participants' eligibility to receive program services.

**Recommendations**

There are no recommendations for this section.

**CASH/REVENUE**

**Objective**

Determine whether cash receipts and revenue are properly recorded in the Agency's records and deposited timely in their bank account. In addition, determine whether there are adequate controls over cash, petty cash and other liquid assets.

**Verification**

We interviewed HALSA's personnel and reviewed their financial records. We also reviewed the Agency's April 2007 bank reconciliation.

**Results**

HALSA properly recorded and deposited cash receipts timely in the Agency's bank account.

**Recommendation**

There are no recommendations for this section.

**EXPENDITURES****Objective**

Determine whether program expenditures were allowable under the County contract, properly documented and accurately billed.

**Verification**

We interviewed Agency personnel and reviewed financial records and documentation for a sample of 12 non-personnel expenditure transactions charged to OAPP from March 2006 to February 2007, totaling \$15,969.

**Results**

HALSA expenditures were allowable, accurately billed to OAPP and supported by documentation as required.

**Recommendation**

There are no recommendations for this section.

**FIXED ASSETS AND EQUIPMENT****Objective**

Determine whether HALSA's fixed assets and equipment purchases made with program funds are used for the OAPP program and are safeguarded.

We did not perform testwork in this section as the Agency did not use OAPP funds to purchase fixed assets.

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll is appropriately charged to the OAPP program. In addition, determine whether personnel files are maintained as required.

**Verification**

We traced payroll expenditures totaling \$16,550 to payroll records and time reports for January 2007. We also reviewed personnel files for four employees assigned to the OAPP program.

**Results**

Generally, HALSA maintained the required personnel records. In addition, the employee timecards supported the payroll expenditures recorded in the Agency's accounting records.

**Recommendation**

**There are no recommendations for this section.**

**COST ALLOCATION PLAN****Objective**

Determine whether the HALSA Cost Allocation Plan was prepared in compliance with the County contract and the Agency used the plan to appropriately allocate shared program expenditures.

**Verification**

We reviewed HALSA's Cost Allocation Plan and reviewed a sample of expenditures incurred by the Agency from March 2006 to June 2007 to ensure that the expenditures were appropriately allocated to the Agency's programs.

**Results**

The Agency's Cost Allocation Plan was in compliance with the County contract. In addition, the Agency appropriately allocated shared costs.

**Recommendation**

**There are no recommendations for this section.**